



DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH
WASHINGTON

June 30, 1986

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TO: NIC Chairman - Mr. Hal Ford
FROM: INR/RA - Richard Clarke *RC*
SUBJECT: Request for IIM on China

Under Secretary Armacost is preparing to respond to points raised by Foreign Minister Wu Xueqian's recent letter to Secretary Shultz and by Vice Minister Zhu Qizhen during his discussions at the Department last week. To assist in the preparation of that response, we requested an IIM analyzing the evolution, approach, and objectives of Chinese efforts to enlist US assistance on the so-called "three links" and to obtain clarification of US policy on transfers of military technology to Taiwan. He has also requested that the IIM consider the reaction in Beijing and Taipei to alternative responses by the US. To be useful, the IIM must be completed by COB on July 11. INR would be willing to take responsibility for preparing an initial draft for discussion.

The IIM should address the following questions:

- When and in what context did China first raise the "three links" and how has the original stand been reiterated or revised over time?
- What has China's position been on the question of qualitative improvement of Taiwan's weapons?
- When and in what context did China first request clarification of and/or express concern about efforts to strengthen Taiwan's military through indirect means (i.e., technology transfer) and how has its position evolved over time?
- What methods have the Chinese used to communicate their concerns on these points (e.g., messages conveyed through Thatcher and Hawke, demarches by Ambassador Han Xu, Wu's letter to the Secretary, and through the media)?
- How have the message and the vehicle changed over time?

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--What do the Chinese really want? Do they expect the US to intervene to promote reunification talks between Taipei and Beijing? Do they merely seek clarification of US policies and practices regarding the transfer of dual-use and military technologies to Taiwan or do they want, in effect, to reopen the negotiations that culminated in the August Communique? Do they seek an end to the transfer of dual-use and military technologies to Taiwan or merely a face-saving formula, or something in between?

--What reaction can be anticipated from Beijing and Taipei from various scenarios, including continued stonewalling by the US, and clarification of the US role in the IDF and other prospective projects.

Drafted INR/EAP/CH:TFingar
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